GOVERNMENT OF INDIA
FINANCE
LOK SABHA

UNSTARRED QUESTION NO:5550
ANSWERED ON:07.04.2017
Investment by US Companies in India
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Will the Minister of FINANCE be pleased to state:

(a) whether the Government is aware that administrative constraints is hindering US companies from going ahead with billion dollar investment in India and if so, the details thereof;
(b) whether an investment treaty to settle disputes with the States/UTs need to be in place to speed up overseas funds and if so, the details thereof;
(c) whether the Government has set up an advocacy group to strengthen trade ties between the two nations, if so, the details thereof and the outcome thereon; and
(d) whether Government is aware of the concerns expressed by US firms planning to invest in the country in various sectors regarding ease of doing business, slow approvals, tax uncertainties, judicial delays and regulatory inconsistencies, if so, the details thereof along with the present status thereof?

Answer

The Minister of State in the Ministry of Finance (SHRI ARJUN RAM MEGHWAL)

(a) to (d) Government has initiated several steps to facilitate investment flow into India and also to improve Ease of Doing Business for foreign investors including those from USA, which inter-alia includes a liberal, transparent and investor-friendly policy on Foreign Direct Investment (FDI) wherein most of the sectors are open to FDI under the automatic route. The Government reviews FDI policy on an ongoing basis and significant changes are made in the FDI policy regime, from time to time, to ensure that India remains increasingly attractive and investor-friendly investment destination. All such policy decisions are available on the website of Department of Industrial Policy & Promotion (DIPP) (www.dipp.nic.in).

Bilateral Investment Treaty (BIT) is signed with different countries with the objective to protect the interest of investors. BIT increases the comfort level and boosts confidence of investors by assuring a level playing field and non discrimination in all matters while providing for an independent forum for disputes by arbitration.
Government has reconstituted the India-US CEO Forum in 2014 as a Business to Business mechanism to discuss issues of mutual interest relating to trade and investment. Since then it has met three times. The Forum has submitted comprehensive recommendation to the Government suggesting policy and procedure measures for increasing economic engagement between India & US. The recommendations were circulated to government ministries and agencies for consideration and status of progress made on these recommendations are regularly reviewed.